



Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 10-1, Annual Pay Raise

Date: January 8, 2010

To: Holders Of The Payroll/Personnel Manual

This bulletin informs users of the National Finance Center (NFC) Payroll/Personnel System (PPS) of the 2010 Federal pay increase and related processing instructions. This bulletin contains the following sections:

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1. Federal Pay Increase

Executive Order Number 13525, dated December 23, 2009, authorizes a 1.5 percent across-the-board increase in the rates of basic pay, effective January 3, 2010, for employees paid under the General Schedule (GS) and Foreign Service Schedule statutory pay systems.

By law (5 U.S.C. 5318), the rates for Levels I through V of the Executive Schedule (EX-I through EX-V) will increase by 1.5 percent (rounded to the nearest \$100).

Under Executive Order Number 13525, the President has also authorized an increase in the rates of basic pay for administrative law judges (ALJs) of 1.5 percent (rounded to the nearest \$100). The rate of basic pay for AL-1 will be \$155,500. The rate of basic pay for AL-2 will be \$151,800. The rates of basic pay for AL-3/A through AL-3/F will range from \$103,900 to \$143,700. The rates for administrative appeals (AA) judges are directly linked to those of ALJ (see 5 U.S.C. 5372). Therefore, the rates of basic pay for the AA-1 through AA-6 will also range from \$103,900 to \$143,700.

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Pay rates for certain other employees are linked to the Executive Schedule. The rates of basic pay for Board of Contract Appeals (BCA) members are calculated as a percentage of the rate for Level IV of the Executive Schedule. Therefore, BCA rates of basic pay will increase by approximately 1.5 percent. The rate of basic pay will be as follows: Chairman \$155,500; Vice-Chairman \$150,835; and other members \$146,170. In addition, the pay for Inspector General (IG) at Establishments (those covered by the new IG pay plan) is also calculated as a percentage of the Executive Schedule Level III and thus will increase by approximately 1.5 percent. The IG pay plan rate will be \$170,259.

The increase in Federal pay and any applicable locality-based comparability payments or special rate supplements for all eligible biweekly employees will be reflected in salary payments and earnings and leave statements for Pay Period 01 (January 3, 2010, through January 16, 2010). The official payday for Pay Period 01 is January 28, 2010.

The following outlines the processing of the Federal pay increase:

Federal Pay Increases Processed Automatically In Pay Period 01, 2010

NFC will automatically process Federal pay increases for the following types of employees:

- Employees in Pay Plans AL, CA, CO, CP, DN, EX, FC, FO, FP, FS, GG, GH, GI, GL, GM, GS, GT, IG, IJ, IS, LE, LP, NF, NX, NY, NZ, PD, PG, PQ, PU, PZ, SP, SV, and TR.
- Employees who are paid at administratively determined rates (i.e., employees in Pay Plan AD) at agencies that have notified NFC to automatically process the pay increase.
- Reemployed annuitants. The system will automatically generate pay adjustments for all reemployed annuitants. For any reemployed annuitant whose salary is offset by an annuity from the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) (Annuitant Indicator Codes of A, C, E, 1, 4, and 5), personnel offices must also prepare a 917 Nature of Action Code (NOAC) personnel action when the Office of Personnel Management (OPM) authorizes a cost-of-living adjustment (COLA) for CSRS and FERS retirement annuities. (OPM did not authorize COLA for qualified annuitants in 2010.) If COLA is authorized, the increased amount of the employee's annuity must be recorded in the Annuitant Share Amount field.
- Employees who are being paid under Pay Rate Determinant (PRD) code E, F, J, K, 5, or 6.

Federal Pay Increases Not Processed Automatically In Pay Period 01, 2010

NFC will **not** automatically process Federal pay increases for the following types of employees:

- Employees in Pay Plans ES and FE.
- Experts and consultants (i.e., employees in Pay Plans CG, EC, ED, EE, EF, EG, EH, EI, and IC).
- Employees paid at statutory rates (i.e., employees in Pay Plan SR).
- Employees in Pay Plans AE, AI, AO, AP, AS, DB, FN, HA, IC, IE, NB, OC, OE, OF, PJ, PL, RA, RG, RS, RW, SB, SQ, SR, SS, TF, TM, TS, UT, VG, VH, YV, YW, ZA, ZP, ZS, ZT, and ZZ with the exception of employees in those agencies that have notified NFC to automatically process the pay increase. (The pay adjustments for Pay Plans IL, SL, and ST are made at the discretion of the department/agency).
- Employees who are being paid under PRD code D, R, U, V, 2, 3, and 4.
- Employees in Pay Plans GG, GS, GM, and GH who are being paid under cooperative agreements and for whom the Federal Government does not pay all the salary (the cooperator pays a portion or all of the salary).

Note: Employees who are Americorps members (Special Employment Programs Code V8) are not eligible to receive the 1.5 percent Federal pay increase.

Listings of employees in the “not processed automatically” categories are available upon request. If you would like a copy of the listing for your employees, please contact your agency’s NFC Customer Service Representative or your Agriculture Payroll/Personnel User Group (AGPUG) or your Committee for Agriculture Payroll/Personnel Systems (CAPPS) representative.

2. Special Rate Supplement

For employees who currently receive a Special Salary Rate (SSR) supplement because their highest payable rate is currently from an SSR table, it is important to remember that in the event that the locality rate in the employee’s area exceeds his/her SSR supplement entitlement, the employee will cease to be covered by the SSR table and will instead be entitled to the higher locality rate. NFC will do this for entities for whom we are generating the pay raise. Agencies will be responsible for handling this themselves for any pay raise actions that the agency processes.

Note: For those SSR tables applicable to more than one geographic area, it is possible for a grade and step to remain active on the SSR even though that rate is superseded by locality

in some of the coverage area(s). In these instances, employees in the higher locality areas would cease to be covered by the SSR.

SSR tables have been updated incorporating the 1.5% general increase and an additional increase at each grade and step to the dollar increase in locality pay for non-special rate employees at the same grade and step in non-foreign areas of Alaska, Hawaii, Puerto Rico, Guam, Northern Mariana Islands, American Samoa, and U.S. Virgin Islands. A list of these SSR tables, as well as the additional dollar supplement for Special Rate tables in non-foreign areas can found on the OPM Web site at <http://chcoc.gov/transmittals/transmittaldetail.aspx?transmittalid=2670>.

- Ten Special Rate tables will be terminated entirely due to an OPM annual review of special rates authorized under 5 U.S.C. 5305. (Attachment 1, Terminated Special Rate Schedules)
- Six Special Rate tables schedules will be changed due to OPM dividing and adding new SSR schedules. (Attachment 2, Replacement of Special Rate Schedules)

NFC will sweep Position Management System (PMSO) records for those employees that required an SSR pay table code update and had pay adjustment actions generated by NFC. However, agencies must be sure to update PMSO accordingly for any pay adjustments that are generated by the agency. In addition, agencies need to make note of the new tables for normal processing on all actions effective on or after January 3, 2010.

3. Law Enforcement Officers Covered By The GL Pay Plan

Employees that were converted from GS to GL and are now using the LLEO pay table code will have actions generated by NFC. For those GL employees for whom the 2010 pay increase will remove their entitlement to an SSR supplement, NFC will still process NOAC 894. However, NFC will remove PRD code 6 from the employee's record, and replace the SSR Table in PMSO with LLEO which is the LEO special base rate table code.

4. Locality Pay

The locality rate of pay for GS employees may not exceed the rate payable for Level IV of the Executive Schedule (\$155,500 in 2010). As a result of the increase in locality percentages in 2010, the locality rates for GS-15/06, GS-15/07, GS-15/08, GS-15/09, and GS-15/10 in the San Jose-San Francisco area; the locality rates for GS-15/08, GS-15/09, and GS-15/10 in the Houston, Los Angeles, and New York locality areas; the locality rates for GS-15/09 and GS-15/10 in the Boston, Chicago, Detroit, Hartford, San Diego, and Washington-Baltimore locality areas; and the locality rates for GS-15/10 in the Dallas-Fort Worth, Denver, Miami, Minneapolis-St. Paul, Philadelphia, Portland, Sacramento, and Seattle locality areas would otherwise exceed the Level IV rate. Therefore, these identified GS-15 steps in the applicable locality areas are limited to \$155,500 for 2010.

Federal Employees Pay Comparability Act of 1990 (FEPCA) (Public Law 101–509) provides for comparability payments within each locality that is determined to have a pay disparity of greater than 5 percent with non-Federal workers.

The President’s Pay Agent has determined that the 2010 locality-based comparability payments will be the same as the Government-wide and single-agency categories that were authorized for the 2010 locality-based comparability payments.

Changes to locality pay are outlined below:

Locality Pay Areas

The total number of pay locality areas increases to 35 areas for 2010. The boundaries for these locality areas have not changed for the prior locality areas (excluding the three new areas). Alaska, Hawaii, and “Other Nonforeign Areas” listed in 5 CFR 591.205 are new locality pay areas in 2010. Locality pay area definitions are posted on OPM’s Web site at <http://www.opm.gov/oca/10tables/locdef.asp>. The NFC established pay table codes for Alaska, Hawaii, and Other Nonforeign Areas (American Samoa, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands,) will be:

- Alaska=10AK
- Hawaii=10HI
- Other Nonforeign Areas=10ON
- Law Enforcement=L0AK, L0HI, L0ON

The percentage factor for each locality is based on the geographic location of the employee’s official duty station. The areas designated as locality pay areas for 2010, along with the corresponding percentage factor for each area, are shown in Attachment 3, Locality Pay Areas For 2010.

Locality for Senior Levels (Pay Plan ES, SL, and ST)

The Nonforeign Areas Retirement Equity Assurance Act of 2009, the Senior Levels who have an official worksite prior to January 3, 2010, that is outside the 48 contiguous states, in a position in Alaska, Hawaii, and Other Nonforeign Areas (American Samoa, Guam, Midway Islands, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands,) are subject to a portion of locality pay beginning on or after January 1, 2010 (Pay Period 1, 2010). In conjunction with the locality pay, COLA rates will decrease each year. Information can be obtained on OPM’s Web site at <http://www.opm.gov/oca/cola>.

COLA rates will be changed as follows effective January 3, 2010:

Alaska

Anchorage	19.03%
Fairbanks	19.03%
Juneau	19.03%
Rest of Alaska	20.94%

Hawaii

Hawaii County	14.26%
City of Honolulu	20.94%
Kauai County	20.94%
Maui County	20.94%

**Guam and Commonwealth
of the Northern Mariana
Islands** 20.94%

Puerto Rico 10.44%

U.S. Virgin Islands 20.94%

Note: Information about the geographic scope of each locality pay area can be found on OPM's Web site at *www.opm.gov* under Salaries and Wages.

Locality payments will be paid as part of the employee's biweekly salary and will be used in determining the calculations for retirement annuity and contributions to the Thrift Savings Plan (TSP), life insurance, overtime, and other premium pay. For most employees, the amount of locality pay will be determined by multiplying the employee's scheduled annual rate of pay by the percentage factor for the locality pay area.

Employees Ineligible To Receive Locality–Comparability Payments

The following group of GS employees do not receive locality-based comparability payments because they are already receiving pay rates that exceed locality:

- Employees entitled to a special salary rate supplement that exceeds the locality pay for their pay area.

Note: 5 U.S.C. 5305(a)(1) limits the maximum special rate to the rate payable for the Level IV of the Executive Schedule (\$155,500 in 2010). There are 50 capped special rates in 2010, and these are shown by special rate table, and step on OPM's CPM 2010-24, 2010 Annual Review of Special Rates (Attachment 4).

- Effective May 1, 2006, employees in retained pay (i.e., employees with PRD codes J, K, R, U, or V) were no longer eligible for locality pay. The appropriate pay increase for these individuals must be processed in accordance with OPM guidance for employees on pay retention. As mentioned earlier, NFC will process those employees covered by PRD codes J and K, but the agency must process any covered by PRD codes R, U, or V.

5. Life Insurance Coverage

If there is an increase in the regular life insurance coverage as a result of the pay increase, the related increase in life insurance deductions will be effective at the same time.

6. Personnel Action Processing Information

OPM does not require a separate personnel action for those employees who receive a locality payment or special salary rate supplement increase along with the Federal pay increase authorized under 5 U.S.C. 5303. Therefore, NFC will automatically generate one personnel action for both the Federal pay increase and locality-based comparability payment/SSR supplement increase.

In addition to the standard items required for a salary change, the personnel action must include the following data for a salary change personnel action:

- The effective date of the new rate (i.e., January 3, 2010).
- The 2010 scheduled salary rate (do not include the locality-based comparability payment. PPS will automatically increase the salary amount for employees who are entitled to receive locality pay).
- NOAC 894, QWM/ZLM, Reg 531.207, and Executive Order Number 13525 for GS employees (e.g., GS, GL, GM, etc.).
- NOAC 894, ZLM, QUB; Executive Order Number 13525, and Reg 530.303(d) for a GS/GL employee whose locality rate exceeds his/her special salary rate. The employee's PRD code will be changed to "0" and the SSR pay table code will be removed from the PMSO record.

Note: For employees in the GL pay plan, the SSR pay table code in PMSO will be replaced with the Law Enforcement Officer pay table code of LLEO.

- NOAC 894, ZLM, Reg 534.504, and Executive Order Number 13525 for Pay Plans SL and ST.
- NOAC 894, ZLM, and the authority cited by the agency for Pay Plan AD.

Note: Agencies with special authorities must use the authority specific to their agency. For detailed instructions, refer to OPM's Guide To Processing Personnel Actions (GPPA), Chapter 17.

- The authentication date is the date that the Executive Order Number for the Federal pay increase was signed (i.e., December 23, 2009).

7. NFC Printing Of SF-50B, Notification Of Personnel Action

NFC will not print SF-50Bs. The forms can now be viewed online via eOPF and the Remote Forms Queuing System (RFQS). If your agency did not have the capability to view SF-50s online or have access to RFQS, special arrangements were made with NFC to print these forms. The SF-50Bs will be mailed to the address provided by the requestor. SF-50Bs will be mailed "Return-Receipt Requested" to ensure receipt. NFC's Client Management Branch staff will coordinate verification of addresses and receipt of the forms.

8. Additional Information

Processing Personnel Actions In Pay Period 01:

The general adjustments that take effect in January 2010, must be processed before any individual pay action (i.e., within-rate increase or promotion) that takes effect on the same date. General adjustments include across-the-board increases under 5 U.S.C. 5303 and increases in locality payments or other geographic adjustments, special rate supplements and retained rates. If multiple individual pay actions become effective on the date of the January 2010 pay adjustment, those actions must be processed in the order applicable to the employee's pay system (i.e., the simultaneous action rule for GS employees in 5 CFR 531.206).

Personnel Input and Edit System (PINE) Edit Messages

To avoid a system-generated rollback, agencies should have ensured that all personnel actions with effective dates prior to Pay Period 01, January 3, 2010, were entered before the processing of the first pass of PINE (on or before Sunday, January 10, 2010).

Any rollback action will result in the rollback of all personnel actions (agency-initiated or system-generated) that have applied in the current pay period, including the system-generated change in service computation date (SCD) and the Federal pay increase/locality-based comparability.

These actions are then placed in suspense and will appear on the Listing of Personnel Error Messages with Override Code F, and with the edit message "*In Suspense Due To Rollback-Take Appropriate Action.*" The document(s) will remain in suspense until action is taken.

The system will produce Document Type 999 informational edit messages on the Listing of Personnel Edit Error Messages in Pay Period 01 to identify employees

who did not receive an automatic pay raise (e.g., GM employees whose salaries are less than the minimum salary range for the step).

The first pass of PINE for Pay Period 01 will be executed on Sunday, January 10, 2010. Consult the NFC Electronic Access Bulletin Board on the NFC Mainframe or the NFC home page (www.nfc.usda.gov) for updates on the processing of the pay raise actions and system availability.

Suspense Documents

Documents that are processed by NFC for the annual pay raise will not appear under any of the agency's normal user IDs on suspense reports. It is especially critical at this time of year for agencies to run reports and verify all documents in suspense and not just review those of individual human resources staff members. Failure to work an NFC-generated pay raise that falls into suspense for any reason will prevent the employee from receiving his/her January pay increase. If an agency deletes an NFC pay increase from suspense, the agency will have to generate a replacement action manually.


History Correction

If a History Correction package is processed during Pay Period 01, 2010, the system-generated actions (e.g., the change in SCD and the Federal pay increase/locality-based comparability payment) will become part of the package. Special measures should be taken to ensure that these system-generated actions are reapplied during Pay Period 01 regardless of whether the package is subsequently deleted.

Note: The system will hold history correction processing for the first pass of PINE for Pay Period 01 only.

9. Inquiries

This bulletin supersedes Bulletin 09-2, 2009, Federal Pay Increase And Locality-Based Comparability Payment, dated January 23, 2009. For questions about policy/regulations, contact your AGPUG or CAPPs representative. For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630** or the EmpowHR Help Desk at **1-888-367-6955**



JOHN S. WHITE, Acting Director
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Attachments

Terminated Special Rate Schedules

Table	Series	Occupation	Location
0029	XXX	Miscellaneous Clerical	Washington, D.C. Area
0057	XXX	Miscellaneous Clerical	Dallas, TX
0070	XXX	Miscellaneous Clerical	Los Angeles, CA
0071	XXX	Miscellaneous Clerical	Orange County, CA
0138	1510	Actuary	Woodlawn, MD
0282	XXX	Miscellaneous Clerical	Annapolis Junction & Fort Meade, MD
0303	0620	Practical Nurse	Washington, D.C. Area
0350	1310	Physicist	Washington, D.C. Area
0424	1311	Physical Science Technician	Washington, D.C. Area
0428	0681	Dental Assistant	Washington, D.C. Area

Replacement of Special Rate Schedules

Old/New	Table Number	Location	Occupation
Old	0111	Clear AFB, AK only (California remains active)	Firefighter (series 0081)
New	011A	Clear AFB, AK only	Firefighter (series 0081)
Old	0259	Los Angeles, CA	General Facilities & Equipment (series 1601)
New	259A	Alaska	General Facilities & Equipment (series 1601)
	259	Hawaii	General Facilities & Equipment (series 1601)
	259H	Puerto Rico	General Facilities & Equipment (series 1601)

Locality Pay Areas For 2010

Locality Pay Area (1)	New Locality Rate (2)	Total Increase Over 2009 Pay
Atlanta-Sandy Springs-Gainesville, GA-AL	19.29%	2.13%
Boston-Worcester-Manchester, MA-NH-RI-ME	24.80%	2.17%
Buffalo-Niagara-Cattaraugus, NY	16.98%	2.01%
Chicago-Naperville-Michigan City, IL-IN-WI	25.10%	2.01%
Cincinnati-Middletown-Wilmington, OH-KY-IN	18.55%	1.73%
Cleveland-Akron-Elyria, OH	18.68%	1.95%
Columbus-Marion-Chillicothe, OH	17.16%	1.97%
Dallas-Fort Worth, TX	20.67%	2.11%
Dayton-Springfield-Greenville, OH	16.24%	1.80%
Denver-Aurora-Boulder, CO	22.52%	1.91%
Detroit-Warren-Flint, MI	24.09%	1.94%
Hartford-West Hartford-Willimantic, CT-MA	25.82%	2.10%
Houston-Baytown-Huntsville, TX	28.71%	1.84%
Huntsville-Decatur, AL	16.02%	1.99%
Indianapolis-Anderson-Columbus, IN	14.68%	1.90%
Los Angeles-Long Beach-Riverside, CA	27.16%	2.02%
Miami-Fort Lauderdale-Pompano Beach, FL	20.21%	3.85%
Milwaukee-Racine-Waukesha, WI	18.10%	1.89%
Minneapolis-St. Paul-St. Cloud, MN-WI	20.96%	2.01%
New York-Newark-Bridgeport, NY-NJ-CT-PA	28.72%	2.10%
Philadelphia-Camden-Vineland, PA-NJ-DE-MD	21.79%	1.95%
Phoenix-Mesa-Scottsdale, AZ	16.76%	2.09%
Pittsburgh-New Castle, PA	16.37%	1.95%
Portland-Vancouver-Beaverton, OR-WA	20.35%	2.04%
Raleigh-Durham-Cary, NC	17.64%	1.72%
Richmond, VA	16.47%	1.82%
Sacramento-Arden-Arcade-Truckee, CA-NV	22.20%	2.06%
San Diego-Carlsbad-San Marcos, CA	24.19%	2.12%
San Jose-San Francisco-Oakland, CA	35.15%	2.10%
Seattle-Tacoma-Olympia, WA	21.81%	2.13%
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV-PA	24.22%	2.42%
Rest of U.S.	14.16%	1.77%
Alaska	4.72%	N/A
Hawaii	4.72%	N/A
Other Nonforeign Areas listed in 5 CFR 591.205	4.72%	N/A

Capped Special Rates for 2010

Special Rate Table Number	Grade	Capped Steps
0565	15	8, 9, and 10
0566	15	9 and 10
0576	15	7, 8, 9, and 10
0600	15	10
0601	15	9 and 10
0602	15	8, 9, and 10
0603	15	7, 8, 9, and 10
0604	15	6, 7, 8, 9, and 10
0605	15	5, 6, 7, 8, 9, and 10
565A	15	8, 9, and 10
565F	15	8, 9, and 10
565H	15	8, 9, and 10
565N	15	8, 9, and 10
566A	15	9 and 10
566F	15	9 and 10
566H	15	9 and 10
600H	15	10
600P	15	10